

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROP SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN LILA TAYLOR**, on January 15, 1999 at 8:00 A.M., in Room 402 Capitol.

ROLL CALL

Members Present:

Rep. Lila Taylor, Chairman (R)
Sen. Mike Taylor, Vice Chairman (R)
Sen. Eve Franklin (D)
Sen. Ken Mesaros (R)
Rep. Ray Peck (D)
Rep. Joe Quilici (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lynn Daily, Committee Secretary
Mary Beth Linder, OBPP
Amy Sassano, OBPP
Jim Turner, Legislative Fiscal Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Executive Action: Department of Administration
Continued and State Auditors
Office

Motion/Vote: REP. QUILICI moved that **BASE ON CENTRAL MANAGEMENT (Pg A-59) DO PASS. Motion carried unanimously.**

Motion/Vote: SEN. FRANKLIN moved **STATE WIDE ADJUSTMENTS (Pg A-59). Motion carried unanimously.**

Motion/Vote: SEN. FRANKLIN moved **DP 1 - DATA PROCESSING FTE (Pg A-59). Motion carried unanimously.**

January 15, 1999

PAGE 2 of 7

Motion/Vote: REP. QUILICI moved DP 8 - PRESENT LAW ADJUSTMENT
(Pg A-60). Motion carried unanimously.

Motion/Vote: REP. QUILICI moved BASE FOR INSURANCE AGENTS.
Motion carried unanimously.

Motion/Vote: SEN. FRANKLIN moved STATE WIDE FOR INSURANCE AGENTS
(Pg A-63). Motion carried unanimously.

Motion/Vote: SEN. TAYLOR moved TO REDUCE PERSONAL SERVICES
FUNDING BY AN AMOUNT EQUAL TO THE PERSONAL SERVICES EXPENSES FOR
A 1.0 GRADE 15 FTE FOR ABOUT \$41,000 PER YEAR. Motion carried
unanimously.

Motion/Vote: REP. QUILICI moved DP 2 - LICENSING AND CONTINUING
EDUCATION, WITH AN EXPLANATION THAT THIS A STATE SPECIAL CHARGED
BY FEES CHARGED (Pg A-63) . Motion carried unanimously.

Motion/Vote: SEN. FRANKLIN moved DP 5 - POLICY HOLDERS SERVICES
FTE (Pg A-63). Motion carried unanimously.

Motion/Vote: SEN. FRANKLIN moved DP 6 - PRESENT LAW ADJUSTMENTS
(Pg A-64). Motion carried unanimously. (Pg A-61)

Motion/Vote: SEN. TAYLOR moved THAT THE STATE AUDITOR ESTABLISH
EFFECTIVENESS CRITERIA FOR THE NEW FRAUD INVESTIGATOR FTE
POSITION. THE POSITION WILL OPEN 10 INVESTIGATIONS BY THE END OF
FISCAL YEAR 2000. BY THE END OF FISCAL YEAR 2001, THE POSITION
WILL OPEN 10 MORE INVESTIGATIONS, WILL HAVE CLOSED AT LEAST 2
CASES RESULTING IN SETTLEMENTS OR CONVICTIONS, AND WILL HAVE
RECOVERED AT LEAST \$100,000 IN FINES OR SETTLEMENTS. THE
AUDITOR WILL REPORT TO THE LEGISLATIVE FISCAL ANALYST IN FISCAL
2000 AND TO THE LEGISLATIVE FISCAL ANALYST AND THE LEGISLATURE IN
FISCAL 2001. Motion carried unanimously. (Pg A-64)

Motion/Vote: SEN. TAYLOR moved THAT THE PROGRAM HAVE AUTHORITY
TO SPEND \$117,600 IN FISCAL YEAR 2000 AND \$181,500 IN FISCAL YEAR
2001 FROM THE INSURANCE FEE STATE SPECIAL REVENUE ACCOUNT. THE
APPROPRIATION IS RESTRICTED TO SPENDING FOR CONTRACT
EXAMINATIONS. Motion carried unanimously.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30.8}

Motion: SEN. TAYLOR moved THAT THE APPROPRIATIONS GRANTED BY
THIS SUBCOMMITTEE FOR THE INSURANCE PROGRAM COME ONLY FROM THE
INSURANCE FEE STATE SPECIAL REVENUE FUND. I FURTHER MOVE THAT
THE COMMITTEE REQUEST THAT A BILL BE DRAFTED TO CHANGE DEPOSIT OF

January 15, 1999

PAGE 3 of 7

INSURANCE FEES FROM THE GENERAL FUND TO THE STATE SPECIAL REVENUE FUND AND THAT TOTAL FEES COLLECTED BE NO GREATER THAN NECESSARY TO RUN THE OPERATIONS OF THE INSURANCE PROGRAM.

Discussion: **EXHIBIT(jgh11a01):** Funding for the State Auditor's Office

REP. QUILICI asks if the fees collected are earmarked for the Auditor's Office. **Jim Turner** says that they go into the general fund and are then appropriated back to the auditor's office.

SEN. TAYLOR believes that if the committee requests a bill that it says they support the bill. **Mark O'Keefe** says that it will not impact the general fund. The actual fiscal impact will be in the next biennium.

Vote: Motion failed 4-2 with Peck and Quilici voting aye.

REP PECK BELIEVES THAT A 3/4 VOTE IS REQUIRED TO DRAFT A COMMITTEE BILL.

Motion/Vote: **REP. QUILICI** moved TO RECONSIDER ACTION. Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 30.5}

Motion/Vote: **SEN. TAYLOR** moved TO DRAFT A COMMITTEE BILL-TO CHANGE DEPOSIT OF FEES AND CHANGE FEES; AS NECESSARY AND TO CHANGE APPROPRIATION FROM GENERAL TO STATE SPECIAL. Motion carried unanimously.

Motion/Vote: **REP. QUILICI** moved BASE OF INSURANCE PROGRAM (PG A-66). Motion carried unanimously.

Motion/Vote: **SEN. FRANKLIN** moved STATE WIDE PRESENT LAW (PG A-67). Motion carried unanimously.

CHAIRMAN TAYLOR decided to Postpone Action on DP 7 - Present Law Adjustments (Pg A-67).

Motion/Vote: **SEN. TAYLOR** moved THAT THE PROGRAM HAVE AUTHORITY TO SPEND \$12,000 IN FISCAL YEAR 2000 AND \$12,000 IN FISCAL YEAR 2001. THE APPROPRIATION IS RESTRICTED TO SPENDING FOR CONTRACT EXAMINATIONS. Motion carried unanimously.

Motion: **SEN. TAYLOR** moved THE APPROPRIATION GRANTED BY THIS SUBCOMMITTEE FOR THE SECURITIES PROGRAM COME ONLY FOR THE GENERAL FUND.

Discussion: **Mr. O'Keefe** states that these fees are relatively new and the industry wanted to be guaranteed that if they pay these fees that they will be for the general fund.

January 15, 1999

PAGE 4 of 7

SEN. FRANKLIN is going to oppose this motion.

REP. QUILICI states that this could be stirring up a hornets nest. Some of the agencies are foreign agencies. **Mr. O'Keefe** states that this an industry that knows where every dollar goes and the bulk of the money does come from out of the state and the country.

Vote: Motion carried 5-1 with Taylor voting no.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 28.8}

Motion/Vote: **SEN. FRANKLIN** moved DP 7 - PRESENT LAW ADJUSTMENTS (Pg A-67), AS STATED BY JIM TURNER, .25 FTE IS \$7889 IN STATE SPECIAL REV IN FY 2000. Motion carried 5-1 with Taylor voting no.

Motion/Vote: **SEN. FRANKLIN** moved SECOND PART OF DP 7 (Pg A-67) FOR SALARY DIFFERENCE AND OTHER EXPENSE CODE CHANGES MINUS \$895 GENERAL FUND IN FY 2000 AND \$10945 SPECIAL REVENUE FOR FY 2000 AND MINUS \$910 GENERAL FUND FOR FY 2001 \$10854 STATE SPECIAL FOR FY 2001. Motion carried unanimously.

Motion/Vote: **REP. QUILICI** moved RISK MANAGEMENT AND TORT DEFENSE (Pg A-197). Motion carried unanimously.

Motion/Vote: **REP. QUILICI** moved BASE OF THE STATE TAX APPEAL BOARD (PG A-200). Motion carried unanimously.

Motion: **SEN. TAYLOR** moved TO CUT 1.5 FTE AT GRADE 7.

Discussion: **Jim Turner** says that the legislature can only cut money and can't direct what the agency does with an FTE. This would be about \$30,000 per year.

{Tape : 2; Side : B; Approx. Time Counter : 0 - 31.3}

SEN. TAYLOR state that if they get into trouble they can still find money. History has shown that they haven't used the money.

REP. PECK is going to vote against this bill because this agency reverted a bunch of money and had extra money.

SEN. TAYLOR believes that they have been over funded for too long.

Vote: Motion failed 3-3 with Mesaros, Taylor, and Taylor voting aye.

Motion/Vote: **SEN. FRANKLIN** moved APPROVE STATEWIDE PRESENT LAW WITH RESTRICTION TO 4.5 FTE AND IF THE MONEY IS NOT USED IT WOULD

January 15, 1999

PAGE 5 of 7

BE REVERTED TO THE GENERAL FUND (Pg A-200). Motion carried unanimously.

Motion/Vote: REP. QUILICI moved DP 1 - OPERATING ADJUSTMENTS. Motion carried unanimously.

Appellate Defender

Motion/Vote: SEN. TAYLOR moved BASE FOR APPELLATE DEFENDER (PG A-202). Motion carried unanimously.

Motion/Vote: SEN. FRANKLIN moved STATEWIDE ADJUSTMENT FOR APPELLATE DEFENDER (PG A-202). Motion carried unanimously.

Motion/Vote: SEN. MESAROS moved DP 1 - OTHER FIXED COSTS (PG A-203). Motion carried unanimously.

CHAIRMAN TAYLOR decided to Postpone DP 2 - Consulting and Professional Services.

Motion/Vote: REP. QUILICI moved DP 3 - FUNDING ENTITY CHANGE. Motion carried unanimously.

Department of Administration

CHAIRMAN TAYLOR decided to Postpone Action on Significant Present Law (Pg A-181).

CHAIRMAN TAYLOR asks why there is such an increase in rent from 1999 to 2000. **Bill Bayless** says that it is because they are not receiving general land grant money which they have in the past. It is being reverted to the capital renovation for the next two years. **CHAIRMAN TAYLOR** then asks why the money was reverted and not left where it was. **Lois Menzies** said that this money comes from royalties that can only be used on the capital complex.

{Tape : 3; Side : A; Approx. Time Counter : 0 - 31.3}

SEN. TAYLOR asks why the janitorial services have increased by 17%. **Mr. Bayless** says that it is because the contracts are completely bid for about three years at a time.

EXHIBIT(jgh11a02) EXHIBIT(jgh11a03) EXHIBIT(jgh11a04)

REP. PECK asks if there are any charges for police protection.

Mr. Bayless says there is a minimal charge for some plain clothes police if they need them.

SEN. TAYLOR asks Lois to explain the daycare issue. **Mrs. Menzies** states that the rental rate would increase by \$0.11 and would

January 15, 1999

PAGE 6 of 7

generate about \$100,000 per year with 60 kids. If they were unable to fill all 60 spots then they would open it up to other public employees and private businesses.

REP. PECK would really like to do this, but then we would have to provide money for all counties.

{Tape : 3; Side : B; Approx. Time Counter : 0 - 30.4}

Amy Sassano states that the governor is on strong support of this.

SEN. TAYLOR wants to hear more information.

{Tape : 4; Side : A; Approx. Time Counter : 0 - 7.2}

HOUSE JOINT APPROP SUBCOMMITTEE ON GENERAL GOVERNMENT AND
TRANSPORTATION

January 15, 1999

PAGE 7 of 7

ADJOURNMENT

Adjournment: 11:27 A.M.

REP. LILA TAYLOR, Chairman

LYNN DAILY, Secretary

LT/LD

EXHIBIT (jgh11aad)